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UNCLAS SECTION 01 OF 02 COLOMBO 001065

SIPDIS

AIDAC

STATE FOR SA, DON CAMP AND LARRY ROBINSON
USAID/ANE FOR WENDY CHAMBERLIN AND GORDON WEST
USAID/EGAT FOR GRIFFIN THOMPSON
NSC FOR ELIZABETH MILLARD
MANILA PASS TO USED/ADB
USDOE FOR TOM CUTLER

E.O. 12958: N/A

TAGS: NONE ECONOMICS

SUBJECT: FIFTH SEMI-ANNUAL MEETING OF SOUTH ASIA
REGIONAL INITIATIVE FOR ENERGY (SARI/ENERGY)

¶1. SUMMARY. THE FIFTH SARI/ENERGY SEMI-ANNUAL REVIEW MEETING WAS HELD IN COLOMBO, SRI LANKA ON JUNE 9-10, 2003. IN TOTAL 75 PARTICIPANTS ATTENDED OF WHICH 35 WERE HOST COUNTRY STAKEHOLDERS FROM BANGLADESH, BHUTAN, INDIA, MALDIVES, NEPAL, AND SRI LANKA. OTHER ATTENDEES WERE REPRESENTATIVES FROM USAID WASHINGTON AND SOUTH ASIA FIELD MISSIONS, U.S. EMBASSIES IN SOUTH ASIA, U.S. DEPARTMENT OF ENERGY, AND IMPLEMENTING CONTRACTORS AND GRANTEES. IN AN INTERNAL USG DISCUSSION ON THE FINAL DAY, PARTICIPANTS APPROVED THE PROGRAM DESCRIPTION FOR AUTHORIZATION OF A SECOND PHASE. THEY RECOMMENDED:

A) INCREASE LIFE OF PROGRAM (LOP) FUNDING FROM \$50 MILLION TO \$65 MILLION AND EXTEND PROGRAM COMPLETION DATE TO SEPTEMBER 2008.

B) ESTIMATED ANNUAL FUNDING LEVEL FOR FY 2003 IS \$8.5 MILLION, FOR FY 2004 IS \$7.5 MILLION AND IS \$5 MILLION THEREAFTER WITH A SIMPLIFIED IMPLEMENTATION MECHANISM.

C) A SHIFT IN FOCUS TO ADDRESS SOCIO-ECONOMIC BENEFITS OF REGIONAL ENERGY COOPERATION, A BROADER RANGE OF STAKEHOLDERS INCLUDING THE MEDIA, AND GREATER INVOLVEMENT OF REGIONAL ORGANIZATIONS AS CENTERS OF EXCELLENCE.

D) CONTINUATION OF ACTIVITIES IN REGIONAL ENERGY SECURITY, REGULATORY REFORMS, DISTRIBUTION REFORM WITH EMPHASIS ON RURAL ENERGY AND ENERGY EFFICIENCY.

E) FUNDING FOR ACTIVITIES BEYOND FY 2006 IS CONTINGENT UPON A SATISFACTORY ASSESSMENT OF PROGRESS. END SUMMARY.

¶2. THE FIFTH SARI/ENERGY SEMI-ANNUAL REVIEW MEETING WAS HELD TO (A) REVIEW ACHIEVEMENTS AND LESSONS LEARNED FROM THE LAST TWO AND HALF YEARS OF PROGRAM IMPLEMENTATION; (B) FINALIZE THE PROGRAM FOCUS FOR PHASE II; AND (C) GET HOST COUNTRY STAKEHOLDER BUY-IN FOR THE ACTIVITIES PLANNED FOR THE NEXT TWO YEARS.

¶3. CONTRACTORS AND GRANTEES (ACADEMY FOR EDUCATIONAL DEVELOPMENT, CORE INTERNATIONAL INC., DEPARTMENT OF ENERGY/ENERGY INFORMATION ADMINISTRATION, NEXANT INC., U.S. ENERGY ASSOCIATION, AND U.S. CHAMBER OF COMMERCE) PRESENTED ACCOMPLISHMENTS AND LESSONS LEARNED FROM THEIR PAST TWO AND HALF YEARS' ACTIVITIES AND PROVIDED ILLUSTRATIVE FOLLOW-ON ACTIVITIES.

¶4. IN THE INTERNAL USG DISCUSSION ON THE FINAL DAY, PARTICIPANTS AGREED ON THE PROGRAM DESCRIPTION, NEW LOP FUNDING CEILING AND PROGRAM ACTIVITIES COMPLETION DATE (PACD), AND IMPLEMENTATION MECHANISMS FOR A SECOND PHASE.

A) A CONTINUATION OF THE PROGRAM BASED ON REALISTIC ASSUMPTIONS ABOUT REGIONAL POLITICAL AND ECONOMIC TRENDS, PROVIDING CONTINUED ENGAGEMENT AND ABILITY TO RAMP UP QUICKLY IN THE EVENT OF MAJOR OPPORTUNITIES.

B) A SIMPLIFIED IMPLEMENTATION MECHANISM FOR DEALING WITH STAKEHOLDERS.

C) A SHIFT IN FOCUS TO SOCIO-ECONOMIC BENEFITS OF REGIONAL ENERGY COOPERATION, A BROADER RANGE OF STAKEHOLDERS INCLUDING MEDIA, AND GREATER INVOLVEMENT OF REGIONAL CENTERS OF EXCELLENCE.

¶5. NEXT STEPS. (A) ANE/SPO WILL STEER THE PROGRAM AUTHORIZATION FOR PHASE II BY ANE/AA; (B) ACTIVITIES OF EXISTING CONTRACTORS/ GRANTEES WILL BE BROUGHT TO CONCLUSION BY DECEMBER 2003; (C) RCO/NEW DELHI WILL

COMPLETE NEGOTIATIONS AND AWARD CONTRACT TO A NEW
INSTITUTIONAL CONTRACTOR THROUGH OPEN COMPETITION BY
SEPTEMBER 2003.

¶6. THIS CABLE HAS BEEN CLEARED BY USAID AND/OR EMBASSY
REPRESENTATIVES FROM ALL PARTICIPATING POSTS.

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